

British Columbia Packers, Limited

Seventh Annual Report

To the Shareholders
BRITISH COLUMBIA PACKERS LIMITED

Your Directors submit herewith the certified Balance Sheet and Deficit and Profit and Loss Account of the Company for the fiscal period ended December 31st, 1934.

For greater convenience in operation, the fiscal year has been changed to terminate December 31st instead of February 28th, consequently the year under review covers only ten months, which has affected the operating results favorably, as the accounts show the benefits of a full year's pack against which there has been charged only ten months' operating expenses.

There is no important change to record regarding the volume of pack by this Company in 1934.

The inventory is conservatively valued and is in satisfactory condition.

The Profit and Loss Account shows that although the loss is smaller than in recent years, the Company has for the fifth year in succession suffered an operating loss after making allowance for depreciation. You will observe that the unpaid cumulative preferred dividends, accumulating at the rate of \$275,835.00 per year, have now reached a total of \$1,172,298.75, which, with the capital of the outstanding preference shares, constitutes a total charge of \$5,112,798.75 ranking prior to the common shares. This situation, together with the growing deficit account, now standing at \$3,801,534.42, renders advisable the consideration of some form of capital reconstruction to bring the constitution of the Company in more balanced relationship with its assets and its probable earning power. This matter is now receiving the attention of the Directors.

It is advisable to emphasize to the Shareholders and to the public of British Columbia the relative position in the world, of the British Columbia salmon canning industry.

The world pack of red salmon in 1933 and 1934 was—

	1933		1934	
	Pack	% of Total	Pack	% of Total
Alaska	2,183,000 cases	69.5	2,600,000 cases	57.1
Japan and Siberia.....	576,000 cases	18.3	1,226,000 cases	26.9
British Columbia	258,000 cases	8.2	378,000 cases	8.3
Puget Sound	126,000 cases	4.0	350,000 cases	7.7
	<u>3,143,000 cases</u>		<u>4,554,000 cases</u>	

The world pack in 1933 was normal whereas the 1934 world pack, about 45% greater than normal, produced a surplus which will require months to liquidate and will inevitably depress the price to be received for the export packs produced in British Columbia in 1934 and 1935. The British Columbia pack is too small a factor in the world red salmon supply to influence world market prices.

The cost of obtaining the raw fish has been steadily rising in British Columbia until the cost in this province is apparently double or more what it is in the great producing competitive areas. Unfortunately, the low-cost product of the very large packs in Alaska and Asia sets the sale price in the export markets where considerably over half the British Columbia pack must always be sold.

It is necessary that all connected with the industry realize that the salmon industry is an export industry exposed to very low-cost competition, and that all must co-operate in reducing costs to meet falling sale prices caused by that unavoidable competition, otherwise there is great danger of "killing the goose that lays the golden egg".

The British Columbia salmon industry, which sells over 98% of its product outside British Columbia and over 50% outside Canada, is peculiarly exposed to any form of provincialism or nationalism that tends to restrict markets.

The officers of the Company have steadily pursued the policy of eliminating avoidable and reducing controllable costs and simplifying the structure of the Company. To this end, during the past year, the following subsidiaries were placed in liquidation and the physical assets transferred to this Company: British Columbia Fishing and Packing Co., Ltd., Gosse Packing Company, Limited, Millerd Packing Company, Limited, Wallace Fisheries Limited, Skeena River Packing Company, Limited.

The 6% First Mortgage Debentures of Wallace Fisheries Limited which would have become due January 10th, 1936, were, by arrangement with the Debentureholders, exchanged for a like amount of this Company's 6% First Mortgage Sinking Fund Debentures payable in twenty equal semi-annual instalments terminating in 1944. The Debentures issued by certain of the subsidiary companies to the amount of \$2,752,615.57 and held by the Company's bankers were withdrawn and this Company's non-interest bearing Second Mortgage Debentures to the amount of \$1,050,000.00 issued in their place. For purposes of economy the shares of the Company were removed from the Montreal and Toronto Stock Exchanges and listed on the Montreal Curb and Vancouver Stock Exchange.

Since the last Annual Meeting, Messrs. Austin C. Taylor, President of Bralorne Mines Limited, and Gordon Farrell, President of the British Columbia Telephone Company, have joined your Board, filling existing vacancies.

On behalf of the Board of Directors and Shareholders, I wish to thank the officers and employees of the Company who very loyally and effectively, often under conditions of great difficulty, and over hundreds of miles of stormy and rocky coast, have maintained the property of the Company, improved the operating efficiency and harvested a quality crop.

Respectfully submitted,

H. R. MacMILLAN,
President.

British Columbia Packers, Limited

and Subsidiary Companies

Consolidated Deficit and Profit and Loss Account For the Ten Months Ended December 31, 1934

Balance being Deficit as at February 28, 1934 \$3,380,541.90

Add—

Items written off:

Goodwill arising from acquisition of Assets of Skeena River Packing Co. Ltd. (In Voluntary Liquidation)	\$ 74,987.90
Premium on Leases now cancelled	160,936.64
Fire and Marine Losses less sundry realizations	36,958.96
Organization Expenses and Underwriting Commissions incurred prior to 1931	135,482.08

\$408,365.58

Less—

Credits arising from acquisition of interest of Minority Shareholders in Subsidiary Companies	5,560.15
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402,805.43

\$3,783,347.33

Add—

Loss for the period:

Profit on operations for the ten months ended December 31, 1934, before Depreciation, Interest on Funded Debt, etc.	\$225,959.49
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Deduct—

Depreciation	\$221,857.55
Interest on Debentures	14,937.80
Directors' Remuneration	6,643.26
Provision for Provincial Taxes	707.97

244,146.58

18,187.09

Balance being Deficit as at December 31, 1934 \$3,801,534.42

Auditors' Certificate

To the Shareholders of the British Columbia Packers Limited:

We have examined the Books and Accounts of the British Columbia Packers Limited as at December 31, 1934, including its Subsidiary Companies, some of which are in process of voluntary liquidation, and have obtained all the information and explanations which we have required.

Effect has been given in the attached Balance Sheet to the transfer of the assets and the assumption of the liabilities of Subsidiary Companies now in process of voluntary liquidation.

No provision has been made for depreciation or replacement of properties of Subsidiary Companies now acquired by the British Columbia Packers Limited, for the period July 1, 1928, to February 29, 1932, except the sum of \$43,321.56.

Depreciation amounting to \$221,857.55, calculated at the rate of five per cent per annum on the Buildings, Plant and Machinery, etc., at replacement values as appraised in 1929 by the Canadian General Appraisal Co., Ltd., plus the cost of subsequent additions, and at 7½ per cent on book values of Floating Equipment, has been provided during the period under review.

Subject to the foregoing, we report that, in our opinion, the attached Consolidated Balance Sheet is properly drawn up, on the basis indicated therein, so as to exhibit a true and correct view of the state of the combined affairs of the British Columbia Packers Limited and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of these Companies.

PRICE, WATERHOUSE & CO.,
Chartered Accountants.

Vancouver, B.C.,
January 29, 1935.

British Columbia Packers, Limited

and Subsidiary Companies

Consolidated Balance Sheet as at December 31st, 1934

ASSETS

Current and Working Assets:

Inventories as determined and certified to by a responsible official of the Company—

Canned Salmon, Pilchards, Dry Salt Herring, etc., on hand valued on the basis of proportion sold under firm contracts at net selling value and balance at cost or market value, whichever is the lower..... \$1,499,308.13

Store Merchandise, New Nets, Labels and Supplies—at cost or market, whichever is the lower..... 100,414.17

\$1,599,722.30

Expended on 1935 Pack..... 27,863.92

Sundry Debtors—

Trade Bills and Accounts Receivable, Advances to Fishermen and Others, secured and unsecured, less Reserve 158,454.61

Cash on hand..... 2,043.48

\$1,788,084.31

Cash in Hands of Trustee for 6% Debentures:

For redemption of Debentures to be drawn by lot on January 6, 1935..... \$14,000.00

For replacement of Capital Assets..... 7,100.00

21,100.00

Investment in Allied Company—less amount written off.....

5,000.00

Capital Assets:

Buildings, Plant, Machinery, etc., at replacement values as appraised in 1929 by the Canadian General Appraisal Co., Ltd., plus the cost of subsequent additions \$4,477,776.54

Floating Equipment at book values..... 513,818.58

\$4,991,595.12

Less—

Reserve for Depreciation..... 2,339,649.05

\$2,651,946.07

Nets and Fishing Equipment as valued by the Management..... 220,974.65

Land, Leases, Licenses, etc., at book values 1,274,957.94

4,147,878.66

Note:

The above Capital Asset values are derived from appraisal or book figures and do not purport to be realizable or present replacement values.

Total Assets..... \$5,962,062.97

Deficit—per statement attached..... 3,801,534.42

\$9,763,597.39

LIABILITIES

Current Liabilities:

Bank Loans and Overdraft—Secured under Section 88 of the Bank Act and by second charge on \$1,050,000.00 Second Mortgage Debentures \$978,962.97

Bills Payable—Secured by first charge on \$1,050,000.00 Second Mortgage Debentures 720,000.00

Sundry Creditors including Accrued Interest, etc. 93,893.11

Reserve for Provincial Taxes 1,397.09

\$1,794,253.17

Six Per Cent First Mortgage Sinking Fund Debentures maturing January 10, 1944:

Exchangeable for \$297,000.00 6% First Mortgage Debenture Stock of Wallace Fisheries Limited to be cancelled upon surrender.

Authorized and Issued..... 297,000.00

Note:

Deposits of \$30,000.00 per annum are hereafter required to be made to the Sinking Fund for semi-annual redemption of a like amount of Debentures.

Second Mortgage Debentures maturing

December 31, 1960 \$1,050,000.00

Issued upon cancellation of \$2,752,615.57 Debentures secured on assets of Subsidiary Companies now in process of liquidation and held as security for repayment of liabilities as shown above.

Capital Liabilities:

Share Capital—

Authorized:

50,000—7% Cumulative Redeemable Preference Shares of \$100.00 each..... \$5,000,000.00

500,000—Common Shares—No par value.

Issued:

39,405—7% Cumulative Redeemable Preference Shares of \$100.00 each..... \$3,940,500.00

277,662—Common Shares without nominal or par value.... 3,731,844.22

7,672,344.22

Contingent Liability:

Bills under Discount, etc. \$303,602.88

£5,002.0.0.

Note:

Dividends accrued on 7% Cumulative Preference Shares from October 1st, 1930, amount to \$1,172,298.75 or \$29.75 per share.

\$9,763,597.39

Approved on behalf of the Board:

H. R. MacMILLAN, Director.
C. C. THOMAS, Director.

Submitted with our Report dated January 29, 1935.

PRICE, WATERHOUSE & CO.,
Chartered Accountants

British Columbia Packers, Limited

SEVENTH ANNUAL REPORT

For Fiscal Period Ended

March - December 31st, 1934

BOARD OF DIRECTORS

H. R. MacMILLAN, President
STANLEY BURKE, Vice-President
C. C. THOMAS, Managing Director
F. E. BURKE
GORDON FARRELL
J. H. GUNDY
GEORGE KIDD
J. P. D. MALKIN
AUSTIN C. TAYLOR
A. H. WILLIAMSON

REGISTRAR AND TRANSFER AGENT:
The London & Western Trusts Company,
Limited, Vancouver, B.C.

CO-TRANSFER AGENT:

Chartered Trust and Executor Company,
PURVIS HALL Montreal, P.Q.
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British Columbia Packers Limited

325 HOWE STREET
VANCOUVER, B.C.

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Proposed Arrangement between British Columbia
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Pro Forma Balance Sheet as at December 31st, 1934,
after giving effect to the Proposed Arrangement.

SEPTEMBER 17, 1935

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McGILL UNIVERSITY

British Columbia Packers Limited



PURSUANT to an Order of the Honourable Mr. Justice D. A. McDonald, a Judge of the Supreme Court of British Columbia, designated in that behalf by the Chief Justice of the said Court pursuant to Section 122 of the Companies' Act 1934 (Dominion) which Order was made the 6th day of September, 1935, we beg to give you notice that meetings will be held on Monday the 21st day of October, 1935 at the head office of the above named Company, 325 Howe Street, Vancouver, B.C., for the purpose of considering and, if thought fit, agreeing to with or without alteration or modification the proposed Arrangement which accompanies this notice, as follows:

- (1) A meeting of the holders of the preference shares of the said Company at 12 o'clock noon;
- (2) A meeting of the holders of the common shares of the said Company at 12.15 p.m. or so soon thereafter as the earlier meeting is concluded; and
- (3) A meeting of the holders of the preference and common shares of the said Company at 12.30 p.m. or so soon thereafter as the two earlier meetings are concluded.

BRITISH COLUMBIA PACKERS LIMITED.

By J. M. BUCHANAN,
Secretary.

325 Howe Street,
Vancouver, B.C.,
17th September, 1935.

British Columbia Packers Limited



To the Shareholders:

Your Directors have been working to simplify and improve the capital structure of your Company and in the Report for the ten months ended December 31st, 1934, advised you of the liquidation of certain subsidiaries and the transfer of their assets to this Company and of the exchange of debentures of Wallace Fisheries Limited, maturing in 1936, for new ten-year sinking fund debentures of this Company.

Your Directors now recommend to you as the final step in this reorganisation:

- (1) That owing to the fluctuating earnings of the fishing industry the shares outstanding be common shares only;
- (2) That $2\frac{1}{2}$ new common shares be issued in exchange for each of the 39,405 preference shares now outstanding;
- (3) That one new common share be issued for each ten of the 277,665 common shares now outstanding;
- (4) That the new common shares to be issued be of no par value.

If the shareholders approve of these recommendations—

- (a) The paid up capital of the Company will be reduced from \$7,672,347.22 to \$3,500,000.00, the difference being the amount of the present deficit, namely \$4,172,347.22, so eliminating such deficit and correcting the present situation wherein the deficit makes it impossible to pay dividends if earned;
- (b) There will be 126,279 common shares outstanding.

The Directors consider that the course recommended represents a fair division of interest between the two classes of shareholders and is in the interest of all the shareholders.

For the convenience of shareholders there are attached to this letter a copy of the consolidated balance sheet as at December 31st, 1934, and a pro forma balance sheet as at the same date showing the effect of the proposed reorganisation of capital.

The foregoing recommendations are embodied in the Arrangement, copy of which accompanies this letter. This Arrangement will be submitted at three meetings, the first of the preference shareholders alone, the second of the common shareholders alone, and the third a combined meeting of both preference and common shareholders. Formal notices convening these three meetings accompany this letter.

Preference shareholders who are unable to be present at these meetings are requested to sign the enclosed form of proxy in *blue* colour and return it in the enclosed envelope.

Common shareholders who are unable to be present at these meetings are requested to sign the enclosed form of proxy in *pink* colour and return it in the enclosed envelope.

Unless contrary instructions are given, proxies will be used to support the proposed Arrangement.

In order that the shareholders may render themselves conversant with the situation the meeting is being called for 21st October, 1935 which should give everyone interested ample time for consideration.

H. R. MacMILLAN,

President.

325 Howe Street,

Vancouver, B.C.,

17th September, 1935.

Proposed Arrangement
between
British Columbia Packers Limited
and
Its Shareholders

Under Section 122 of the Companies' Act 1934
(Dominion)



● INTRODUCTORY

The Company's authorised share capital is \$5,000,000.00 divided into 50,000 7% cumulative preference shares of \$100.00 each, and 500,000 common shares of no par value. 39,405 preference shares have been issued and are fully paid, and 10,595 preference shares are unissued. 277,665 common shares are issued and are fully paid, and 222,335 are unissued which can be issued at a price or for a consideration not exceeding \$25.00 per share.

● ARRANGEMENT

1. Each of the 39,405 preference shares now outstanding shall be converted into $2\frac{1}{2}$ fully paid new common shares of no par value.
2. Each ten of the 277,665 common shares now outstanding shall be converted into one fully paid new common share of no par value.
3. The 10,595 unissued preference shares shall be converted into 42,380 new common shares of no par value.
4. The 222,335 unissued common shares of no par value shall be converted into 222,335 new common shares of no par value.
5. Pursuant to the conversions made by paragraphs 1 and 2 hereof 126,279 fully paid new common shares of no par value will be outstanding and the Company will be authorised to issue an additional 264,715 new common shares of no par value (being the aggregate of the shares mentioned in paragraphs 3 and 4 hereof) at a price or for a consideration not exceeding \$25.00 per share.
6. The Company's paid up capital in respect of the said 126,279 new common shares of no par value shall be \$3,500,000.00.
7. Forthwith after this Arrangement shall have been confirmed by Supplementary Letters Patent as provided by subsection 2 of said Section 122 the rights of the holders of the Company's 39,405 preference shares of \$100.00 each and 277,665 common shares of no par value now outstanding shall be limited to the right to receive in exchange for the surrender of the certificates for the shares they hold certificates for the shares to which they are respectively entitled in accordance with this Arrangement and until such exchange shall have been made such holders shall not be entitled to notice of or to attend and vote at meetings of the Company and any dividends that may become payable in respect of shares for which the appropriate exchange has not

been made shall be retained by the Company until such exchange is made whereupon such dividends shall be payable to the persons lawfully entitled thereto.

8. Adjustments for any fraction of a new common share of no par value to which any holder of existing preference or common shares may be entitled shall be made by issuing to such holder upon surrender of a certificate or certificates representing a number of preference or common shares not sufficient to entitle him to one whole new common share a warrant specifying the fraction of one new common share to which he is entitled.

9. Such warrant shall entitle the holder thereof upon presentation and surrender at the office of the Company's transfer agent, The London & Western Trusts Company Limited, Vancouver, B.C., of warrants specifying that the holder is entitled in the aggregate to one new common share in the Company or any multiple thereof to have transferred and delivered to him by such transfer agent a certificate representing the share or shares to which he is entitled.

10. Such warrants shall not constitute a share interest in the Company but they shall entitle the holders thereof to participate in a distribution of assets in the event of the winding up or liquidation of the Company, but shall not entitle the holders thereof to exercise any voting rights attaching to the shares of the Company or to receive dividends, payment of which shall be postponed as provided in paragraph 7 hereof.

11. The Company by resolution of its Directors may assent to any alteration or modification of the terms or conditions of this Arrangement which the Judge sanctioning the same or the Secretary of State of Canada may think fit to approve or impose.

12. The Directors of the Company are hereby authorised to have this Arrangement sanctioned by a Judge and confirmed by Supplementary Letters Patent under the provisions of Section 122 of the Companies' Act (Dominion) and generally to do all such things and take all such proceedings as the said Directors may deem necessary to carry into full force and effect this Arrangement or any alterations or modifications thereof, and until so confirmed by Supplementary Letters Patent this Arrangement shall have no force nor effect.

British Columbia Packers Limited

and Subsidiary Companies

Consolidated Balance Sheet as at December 31st, 1934

ASSETS

Current and Working Assets:

Inventories as determined and certified to by a responsible official of the Company—

Canned Salmon, Pilchards, Dry Salt Herring, etc., on hand valued on the basis of proportion sold under firm contracts at net selling value and balance at cost or market value, whichever is the lower.....\$ 1,499,308.13

Store Merchandise, New Nets, Labels and Supplies—at cost or market, whichever is the lower.... 100,414.17

\$ 1,599,722.30

Expended on 1935 Pack..... 27,863.92

Sundry Debtors—

Trade Bills and Accounts Receivable, Advances to Fishermen and Others, secured and unsecured, less Reserve 158,454.61

Cash on hand 2,043.48

\$ 1,788,084.31

Cash in Hands of Trustee for 6% Debentures:

For redemption of Debentures to be drawn by lot on January 6, 1935.....\$ 14,000.00

For replacement of Capital Assets..... 7,100.00

21,100.00

Investment in Allied Company—less amount written off..... 5,000.00

Capital Assets:

Buildings, Plant, Machinery, etc., at replacement values as appraised in 1929 by the Canadian General Appraisal Co., Ltd., plus the cost of subsequent additions\$ 4,477,776.54

Floating Equipment at book values.... 513,818.58

\$ 4,991,595.12

Less—

Reserve for Depreciation..... 2,339,649.05

\$ 2,651,946.07

Nets and Fishing Equipment as valued by the Management..... 220,974.65

Land, Leases, Licenses, etc., at book values 1,274,957.94

4,147,878.66

Note:

The above Capital Asset values are derived from appraisal or book figures and do not purport to be realizable or present replacement values.

Total Assets \$ 5,962,062.97

Deficit 3,801,534.42

\$ 9,763,597.39

LIABILITIES

Current Liabilities:

Bank Loans and Overdraft—Secured under Section 88 of the Bank Act and by second charge on \$1,050,000.00 Second Mortgage Debentures \$978,962.97

Bills Payable—Secured by first charge on \$1,050,000.00 Second Mortgage Debentures 720,000.00

Sundry Creditors including Accrued Interest, etc. 93,893.11

Reserve for Provincial Taxes 1,397.09

\$ 1,794,253.17

Six Per Cent First Mortgage Sinking Fund Debentures maturing January 10, 1944:

Exchangeable for \$297,000.00 6% First Mortgage Debenture Stock of Wallace Fisheries Limited to be cancelled upon surrender.

Authorized and Issued 297,000.00

Note:

Deposits of \$30,000.00 per annum are hereafter required to be made to the Sinking Fund for semi-annual redemption of a like amount of Debentures.

Second Mortgage Debentures maturing December 31, 1960.....\$ 1,050,000.00

Issued upon cancellation of \$2,752,615.57 Debentures secured on assets of Subsidiary Companies now in process of liquidation and held as security for repayment of liabilities as shown above.

Capital Liabilities:

Share Capital—

Authorized:

50,000—7% Cumulative Redeemable Preference Shares of \$100.00 each\$ 5,000,000.00

500,000—Common Shares—No par value.

Issued:

39,405—7% Cumulative Redeemable Preference Shares of \$100.00 each\$ 3,940,500.00

277,662—Common Shares without nominal or par value..... 3,731,844.22

7,672,344.22

Contingent Liability:

Bills under Discount, etc. \$303,602.88

\$5,002.00.

Note:

Dividends accrued on 7% Cumulative Preference Shares from October 1st, 1930, amount to \$1,172,298.75 or \$29.75 per share.

\$ 9,763,597.39

British Columbia Packers Limited

and Subsidiary Companies

Pro Forma Consolidated Balance Sheet as at December 31st, 1934 After giving effect to Proposed Arrangement

ASSETS

Current and Working Assets:

Inventories as determined and certified to by a responsible official of the Company—
Canned Salmon, Pilchards, Dry Salt Herring, etc., on hand valued on the basis of proportion sold under firm contracts at net selling value and balance at cost or market value, whichever is the lower.....\$ 1,499,308.13
Store Merchandise, New Nets, Labels and Supplies—at cost or Market, whichever is the lower.... 100,414.17

Expended on 1935 Pack.....\$ 1,599,722.30
Sundry Debtors—
Trade Bills and Accounts Receivable, Advances to Fishermen and others, secured and unsecured, less Reserve 158,454.61
Cash on Hand 2,046.48

Cash in Hands of Trustee for 6% Debentures:
For Redemption of Debentures to be drawn by lot on January 6, 1935.... 14,000.00
For replacement of Capital Assets..... 7,100.00

Investment in Allied Company—less amount written off

Capital Assets:
Buildings, Plant, Machinery, etc., at replacement values as appraised in 1929 by the Canadian General Appraisal Co., Ltd., plus the cost of subsequent additions 4,477,776.54
Floating Equipment at book values.... 513,818.58

Less—
Reserve for Depreciation 2,710,461.85

Capital Assets:

Buildings, Plant, Machinery, etc., at replacement values as appraised in 1929 by the Canadian General Appraisal Co., Ltd., plus the cost of subsequent additions 4,477,776.54
Floating Equipment at book values.... 513,818.58

Less—
Reserve for Depreciation 2,710,461.85

Nets and Fishing Equipment as valued by the Management..... 220,974.65
Land, Leases, Licenses, etc., at book values 1,274,957.94

Note:
The above Capital Asset values are derived from appraisal or book figures and do not purport to be realizable or present replacement values.

\$ 5,591,253.17

LIABILITIES

Current Liabilities:

Bank Loans and Overdraft—Secured under Section 88 of the Bank Act and by second charge on \$1,050,000.00 Second Mortgage Debentures \$978,962.97
Bills Payable—Secured by first charge on \$1,050,000.00 Second Mortgage Debentures 720,000.00
Sundry Creditors including Accrued Interest, etc. 93,893.11
Reserve for Provincial Taxes..... 1,397.09

Six Per Cent First Mortgage Sinking Fund Debentures Maturing January 10, 1944:

Exchangeable for \$297,000.00 6% First Mortgage Debenture Stock of Wallace Fisheries Limited to be cancelled upon surrender.

Authorized and Issued 297,000.00

Note:

Deposits of \$30,000.00 per annum are hereafter required to be made to the Sinking Fund for semi-annual redemption of a like amount of Debentures.

Second Mortgage Debentures maturing

December 31, 1960.....\$ 1,050,000.00

Issued upon cancellation of \$2,752,615.57 Debentures secured on assets of Subsidiary Companies now in process of liquidation and held as security for repayment of liabilities as shown above.

Capital Liabilities:

Share Capital—

Authorized:

390,994 Common Shares—No par value.

Issued:

126,279 Common Shares—No par value 3,500,000.00

Contingent Liability:

Bills under Discount, etc. \$303,602.88
\$5,002.00.

\$ 5,591,253.17

CONSOLIDATED DEFICIT AND PROFIT AND LOSS ACCOUNT

As at December 31st, 1934

After Giving Effect to Proposed Arrangement

Balance per Audited Statement, December 31st, 1934.....\$ 3,801,534.42

Add—

Additional Reserve for Depreciation..... 370,812.80

TOTAL PRESENT DEFICIT.....\$ 4,172,347.22

Deduct—

Credit Arising from Reorganisation of Share Capital.....\$ 4,172,347.22

Surplus or Deficit..... Nil

British Columbia Packers Limited

BOARD OF DIRECTORS:

H. R. MacMILLAN, *President*

STANLEY BURKE, *Vice-President*

C. C. THOMAS, *Managing-Director*

F. E. BURKE

GORDON FARRELL

J. H. GUNDY

GEORGE KIDD

J. P. D. MALKIN

S. K. MURRAY

AUSTIN C. TAYLOR

A. H. WILLIAMSON

REGISTRAR and TRANSFER AGENT:

THE LONDON & WESTERN TRUSTS COMPANY LIMITED

Vancouver, B.C.

CO-TRANSFER AGENT:

CHARTERED TRUST AND EXECUTOR COMPANY

Montreal, P.Q.